

Message Text

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ORIGIN EB-08

INFO OCT-01 AF-10 EA-10 ISO-00 TRSE-00 CTME-00 COME-00
STR-07 FTC-01 L-03 CIAE-00 INR-10 NSAE-00 /050 R

DRAFTED BY EB/OT/STA:C BLUM:MEH
APPROVED BY EB/OT/STA:J S SPIRO
TREASURY: P. EHRENHAFT
CUSTOMS:B IRVIN
EB/ISM:M DEWITT
EA/K:B PORTER
AF/S:W EATON

-----123409 082224Z /73

O R 082139Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY PRETORIA IMMEDIATE
AMEMBASSY SEOUL
INFO AMCONSUL JOHANNESBURG
AMCONSUL CAPE TOWN

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CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: ETRD, EIND, KS, SF

SUBJECT: TRIGGER PRICE MECHANISM: REQUEST FOR HOME MARKET
PRICE AND PRODUCTION COST DATA

REF: A) STATE A-426, B) STATE 116775

1. IN CONNECTION WITH POSSIBLE ACCELERATED ANTIDUMPING
INVESTIGATIONS UNDER TRIGGER PRICE MECHANISM, TREASURY
DEPARTMENT URGENTLY REQUIRES INFORMATION ON HOME MARKET
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PRICES AND COSTS OF PRODUCTION OF: HOT ROLLED, COLD ROLLED
AND GALVANIZED CARBON STEEL SHEETS PRODUCED IN THE
REPUBLIC OF SOUTH AFRICA; AND COLD ROLLED AND GALVANIZED
CARBON SHEET PRODUCED IN THE REPUBLIC OF KOREA. ACTION
REQUESTED. WE WOULD APPRECIATE POSTS' ASSISTANCE IN
OBTAINING MOST OBJECTIVE AND CURRENT DATA ON HOST COUNTRY
PRICES (BASE PRICES AND EXTRAS) AND COSTS IN THESE PRODUCTS.

PRICE DATA ARE MORE URGENTLY REQUIRED AND SHOULD BE REPORTED BY JUNE 15 SLUGGED FOR TREASURY AND SPECIAL CUSTOMS STEEL TASK FORCE. COST DATA WILL LIKELY BE MORE DIFFICULT TO OBTAIN BUT SHOULD BE SUBMITTED ASAP. TREASURY WOULD WELCOME PARTIAL REPORTS AS AVAILABLE IN ORDER TO EXPEDITE WASHINGTON ANALYSIS.

2. POSTS MAY CONSULT MATERIALS SENT TO THEM OVER PAST SIX

MONTHS TO DETERMINE WHAT IS MEANT BY BEGIN QUOTE EXTRAS END QUOTE AND WHICH INPUTS SHOULD BE CONSIDERED IN ESTIMATING COST OF PRODUCTION. OF PARTICULAR HELP IN ENUMERATING EXTRAS WILL BE FEDERAL REGISTER NOTICE OF FEBRUARY 3 ANNOUNCING EXTRAS PRICES FOR SHEETS AND OTHER PRODUCTS (REF A). COST OF PRODUCTION ESTIMATES IDEALLY WOULD INCLUDE A) DOLLAR COST (SPECIFIC EXCHANGE RATE USED) PER UNIT OF EACH INPUT, B) USAGE RATE OF EACH INPUT PER METRIC TON OF FINISHED STEEL PRODUCT AND C) THE COST PER TON OF FINISHED STEEL (THE PRODUCT OF A AND B). INPUTS INCLUDE: IRON ORE, COKING COAL, SCRAP PURCHASED, FUEL OIL, ELECTRICITY, LABOR, SELLING EXPENSES, GENERAL AND ADMINISTRATIVE EXPENSES, DEPRECIATION, DEBT SERVICE, AND PROFITS.

3. POSSIBLE SOURCES OF DATA VARY FROM COUNTRY TO COUNTRY. DOMESTIC STEEL PRODUCER PRICE LISTS, IF THEY EXIST, WOULD LIMITED OFFICIAL USE

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BE VERY USEFUL, AS WOULD INFORMATION ON ANY GOVERNMENT PRICE CONTROLS OR GUIDELINES THAT MIGHT BE IN EFFECT. GOVERNMENT, INDUSTRY ASSOCIATION, TRADE PRESS AND ACADEMIC CONTACTS MAY ALSO PROVE HELPFUL IN PROVIDING STATISTICAL DATA. SOME IDEA OF ACTUAL TRANSACTION PRICES MAY BE GAINED FROM HOST COUNTRY PURCHASERS OF THESE STEEL MILL PRODUCTS. DESPITE THE SENSITIVITY OF THIS REQUEST AND THE TEMPTATION TO PRODUCERS TO PRESENT SELF-SERVING DATA, POSTS MIGHT OBTAIN USEFUL INFORMATION DIRECTLY FROM HOST COUNTRY PRODUCERS.

4. DEPARTMENT APPRECIATES POSTS' PROMPTNESS AND RESOURCEFULNESS IN ACTING ON THIS REQUEST. VANCE

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